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* ALSO ADMITTED IN KENTUCKY
** ALSO ADMITTED IN DISTRICT OF COLUMBIA

RECORDATION NO. 14240/A
Filed 1423

DEC 30 1983 - 9 10 AM
December 30, 1983

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 14240
Filed 1423

No. 3 364A030

Date DEC 30 1983

Fee \$ 50.00

ICC Washington, D.C.

Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Documents for Recordation

Dear Secretary:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an equipment lease (primary document) dated December 29, 1983, and executed by The Fifth Third Leasing Company ("lessor") and The Procter & Gamble Manufacturing Company ("Lessee"), both Ohio corporations with principal offices in Cincinnati, Ohio. A description of the equipment covered by the document follows: *Collateral Assignment dtd 12/30/83*

35 new PD 4000 covered hopper rail cars
(No.'s PGDX 101-135 inclusive)

The full names and addresses of the parties to the document are as follows:

Lessor: The Fifth Third Leasing Company
38 Fountain Square Plaza
Cincinnati, Ohio 45263

Lessee: The Procter & Gamble Manufacturing Company
301 East 6th Street
Cincinnati, Ohio 45202

RECEIVED
DEC 30 9 05 AM '83
FEE OPERATION BR.

Secretary
Interstate Commerce Commission
December 29, 1983
Page Two

A fee is enclosed in the form of "Graydon, Head & Ritchey check no. 3956" made out to the Interstate Commerce Commission in the amount of fifty dollars (\$50.00).

Please return the original document to Thomas C. Rink, Strauss, Troy and Ruehlmann Co., L.P.A., 2100 Central Trust Center, Cincinnati, Ohio 45202.

A short summary of the document to appear in the index follows:

Equipment lease between The Fifth Third Leasing Company ("Lessor"), 38 Fountain Square Plaza, Cincinnati, Ohio 45263, and The Procter & Gamble Manufacturing Company ("Lessee"), 301 East 6th Street, Cincinnati, Ohio 45202 dated December 29, 1983 and covering 35 new PD 4000 covered hopper rail cars (No.'s PGDX 101-135, inclusive).

Very truly yours,

GRAYDON, HEAD & RITCHEY

Thomas A. Brennan by C.A.M.

Thomas A. Brennan
Attorney for The Fifth Third
Leasing Company

TAB/bg

Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

12/30/83

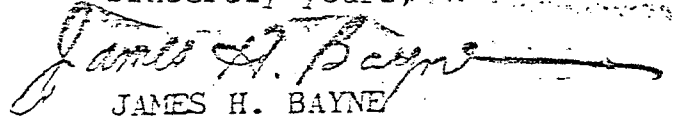
OFFICE OF THE SECRETARY

Thomas A. Brennan, Atty
Graydon, Head & Ritchey
1900 Fifth Third Center
P.O. Box 6464
Cincinnati, Ohio 45201

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/30/83** at **9:10am** and assigned re-
recording number(s). **14240 & 14240-A**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

14240
RECORDATION NO. Filed 1425

DEC 30 1983 -9 10 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of December , 1983

between

THE FIFTH THIRD LEASING COMPANY

as Lessor

and

THE PROCTER & GAMBLE MANUFACTURING COMPANY

as Lessee

Original

EQUIPMENT LEASE

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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") dated as of December , 1983, is between THE FIFTH THIRD LEASING COMPANY, an Ohio corporation, with its principal office at 38 Fountain Square Plaza, Cincinnati, Ohio 45263 ("Lessor") and The Procter & Gamble Manufacturing Company, an Ohio corporation, with its principal office at 301 East 6th Street, Cincinnati, Ohio 45202 ("Lessee").

Lessor agrees to acquire and lease to Lessee and Lessee agrees to hire from Lessor certain personal property (the "Units", and individually a "Unit") described in the Schedule (the "Schedule") attached hereto and made a part hereof, upon the terms and conditions hereinafter set forth:

Section 1. Procurement, Delivery and Acceptance.

1.1 Lessee has ordered the Units pursuant to a letter dated August 16, 1983, between Lessee and North American Car Corporation ("Vendor") which letter incorporates Vendor's proposal and a letter dated August 30, 1983, from Lessee to Vendor, all of which documents are hereinafter referred to as the "Purchase Agreement". Lessee hereby assigns to Lessor all the right, title and interest of Lessee in and to the Purchase Agreement insofar as it relates to the Units. Lessor hereby accepts the assignment and assumes the obligations of Lessee under the Purchase Agreement to purchase and pay for the Units, but no other duties or obligations of Lessee thereunder; provided, however, that Lessee shall remain liable to Vendor in respect of its duties and obligations in

accordance with the Purchase Agreement. Lessee represents and warrants in connection with the assignment of the Purchase Agreement that (a) Lessee has the right to assign the Purchase Agreement as set forth herein, (b) the right, title and interest of Lessee in the Purchase Agreement so assigned is free from all claims, liens, security interests and encumbrances, (c) Lessee will warrant and defend the assignment against claims and demands of all persons, and (d) the Purchase Agreement contains no conditions under which Vendor may reclaim title to any Unit after delivery, acceptance and payment therefor.

1.2 The obligation of Lessor to pay for each Unit is subject to the following conditions:

(a) Lessee shall have executed and delivered to Lessor on or before the Availability Date set forth in the Schedule, an Acceptance Supplement therefor in the form attached hereto ("Acceptance Supplement") dated and delivered on the date as of the time that title to the Unit has been transferred by Vendor ("Delivery Date") confirming that such Unit (i) has been accepted by Lessee as of such Delivery Date and (ii) has become subject to and governed by all the provisions of this Lease;

(b) There shall exist no Event of Default or any condition, event or act, which with notice or lapse of time or both, would become an Event of Default, which has not been remedied or waived.

(c) There shall have been executed and delivered to Lessor by The Procter & Gamble Company a Guaranty Agreement

in form and substance satisfactory to Lessor guaranteeing the performance of all of the terms and conditions of this Lease by Lessee.

If any of the foregoing conditions have not been met with respect to any Unit, Lessee shall be deemed to have assumed the obligation of Lessor to pay the purchase price in accordance with the Purchase Agreement, and upon such payment, Lessor shall assign, transfer and set over unto the Lessee all the right, title and interest of Lessor in and to such Unit and the Purchase Agreement insofar as it relates to such Unit.

Section 2. Term, Rent and Payment.

2.1 The term of this Lease as to each Unit shall commence on the Delivery Date in respect thereof and continue as specified in the Schedule.

2.2 The rental for each Unit shall be in the amount set forth in the Schedule and shall be payable at the times set forth in the Schedule.

2.3 Rent and all other sums due Lessor hereunder shall be paid at the principal office of Lessor set forth above or at such place as shall be designated by Lessor or Lessor's assignee.

2.4 This Lease is a net lease and Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessor or Lessee be otherwise affected by reason of any defect in, damage to, loss of possession

or use or destruction of any of the Units however caused, by the attachment of any lien, encumbrance, security interest or other right or claim of any third party to any Unit, by any prohibition or restriction of or interference with Lessee's use of the Unit by any person or entity, or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties that all rent and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided until Lessee's obligations in respect thereof including the obligation to return the Units to the Lessor at the termination of this Lease have been terminated pursuant to the express provisions of this Lease.

Section 3. Warranties.

3.1 LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, DESIGN, CONDITION, DESCRIPTION, DURABILITY, QUALITY OF THE MATERIAL, EQUIPMENT, OR WORKMANSHIP IN, OR SUITABILITY OF ANY UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, AND THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY WARRANTY AS TO TITLE TO THE UNIT OR ANY COMPONENT THEREOF. It is agreed that all such risks as between Lessor and Lessee are to be born by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name

of and for account of Lessor and/or Lessee, as their interests may appear, at Lessee's full cost and expense, whatever claims and rights Lessor may have against Vendor, provided that any action taken by Lessee shall be consistent with Lessee's obligations pursuant to Section 2 hereunder.

3.2 So long as Lessee is in compliance with the terms of this Lease (a) Lessee's right of quiet enjoyment of the Units shall not be impaired by the Lessor or anyone claiming through the Lessor; and (b) Lessor shall not create any liens or encumbrances upon the Units other than as permitted in Section 10 hereof.

Section 4. Possession, Use and Maintenance.

4.1 Lessee shall not use, operate, maintain or store any Unit improperly or carelessly, and Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part of any Unit, Lessee will conform therewith at its own expense; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the property or rights of Lessor under this Lease.

As long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease, but, without the prior written consent of Lessor or as set forth in the last paragraph of this section, Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them. Lessee will not permit its rights or interests hereunder to be subject to any lien, charge or encumbrance. In addition, Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to any Unit, including any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. Lessee shall not, without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

As long as Lessee shall not be in default under this Lease, and no event of default under the Promissory Note or Security Agreement of even date herewith executed by the Lessor in favor of The Western and Southern Life Insurance Company in connection with the financing of the purchase price of the Units (collectively called the "Security Documents") has occurred, the Lessee shall be entitled to sublease the Units. Lessee shall not assign or permit the assignment of any Unit to service involving the regular operation and maintenance thereof outside the continental United States.

No sublease or assignment of any Unit by the Lessee shall relieve the Lessee of any of its obligations under this Lease.

4.2 Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit in good operating order, repair, condition and appearance.

4.3 Lessee shall not alter any Unit or affix or install any accessory, equipment or device on any Unit, if such alteration or addition will impair the originally intended function or use or reduce the value of any such Unit. All repairs, parts, supplies, accessories, equipment and devices furnished, affixed, or installed to or on any Unit shall thereupon become the property of Lessor. If no Event of Default has occurred and is continuing, Lessee may remove at its expense any such accessories, equipment and devices at the expiration of the term with respect to such Unit, provided that such removal will not impair the originally intended function or use of such Unit, and that such Unit, after such removal, shall be in the condition required by Section 9 hereof.

4.4 Lessee will cause each Unit to be kept numbered with the identifying number set forth in the Acceptance Supplement applicable thereto, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "The Fifth Third Leasing Company, Owner-Lessor" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and property in such Unit and the rights of Lessor under this Lease. Lessee will not place any

such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. Lessee will not change the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease, or any writing referring to the rights of Lessor under this Lease shall have been filed, recorded or deposited.

Except as provided in the immediately preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initial or other initials customarily used by Lessee.

Section 5. Taxes.

5.1 All payments to be made by Lessee hereunder will be free of expense to Lessor with respect to the amount of any local, state or federal taxes including personal property taxes, (other than any federal, state or city net income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties, together with any interest payable

with respect thereto being hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. Lessee will also pay promptly all Impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all Impositions which might in any way affect the title of Lessor or result in a lien upon any such Unit; provided, however, that Lessee shall be under no obligation to pay any Impositions of any kind so long as (A) it is contesting in good faith and by appropriate legal proceedings such Impositions; (B) it has notified Lessor and Lessor's assignee of such fact; and (C) and the nonpayment does not, in the opinion of Lessor or Lessor's assignee, adversely affect the title, property or rights of Lessor or Lessor's assignee. If any Impositions shall have been charged or levied against Lessor directly and paid by Lessor, Lessee shall reimburse Lessor on presentation of an invoice therefor.

5.2 In the event any reports which respect to Impositions are required to be made, Lessee shall make such reports in such manner as shall be satisfactory to Lessor. In addition, Lessee shall comply with all laws concerning the filing of tax returns with respect to Impositions.

Section 6. Risk of Loss; Waiver and Indemnity.

6.1 In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") prior to the return of such Unit pursuant to Section 9 hereof, Lessee shall promptly and fully notify Lessor with respect thereto. On the rental payment date succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in the Schedule) of such Unit as of the date of such payment as set forth in the Schedule. Upon the making of such payment by Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of loss, theft or complete destruction) Lessor shall be entitled to recover possession of such Unit. Provided that Lessor has received the Casualty Value for any Unit, Lessee shall be entitled to the proceeds of any recovery in respect of such Unit from insurance or otherwise to the extent that they do not exceed the Casualty Value of such Unit, and any excess shall be retained by Lessor.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease and before such Unit shall have been returned to Lessor in the manner provided in this Lease, Lessee shall promptly and fully notify Lessor with respect thereto and pay to Lessor an amount equal to the Casualty Value of such Unit as set forth on the attached schedule. Upon the making of any such

payment by Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), Lessor shall be entitled to recover possession of such Unit. Lessor hereby appoints Lessee its agent to dispose of any Unit suffering a casualty occurrence or any component thereof at the best price obtainable on an "as is, where is" basis. Provided the Lessee has previously paid the Casualty Value to Lessor, Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

In the event of the requisition for use by the United States Government (hereinafter called the "Government") of any Unit during the term of this Lease or any renewal thereof all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease or any renewal thereof, the Lessee shall be obligated to return such Unit to the Lessor pursuant to §9 promptly upon such return by the Government rather than at the end of the term of this Lease or any renewal thereof. All payments received by Lessor or Lessee from the Government for any such requisition during the term of this Lease or any renewal shall be paid over to, or retained by, the Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by the Lessor or the Lessee from the Government for the use of such Unit after the term of this Lease or any renewal thereof, shall be paid over to, or retained by, the Lessor.

Except as hereinabove in this Section 6.1 provided, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after the Delivery Date with respect to such Unit.

6.2 Lessee hereby waives and releases any claim now or hereafter existing against Lessor and Lessor's assignee on account of, and agrees to indemnify, reimburse and hold Lessor and Lessor's assignee harmless from, any and all claims (including, but not limited to, claims relating to patent infringement and claims based upon strict liability in tort), losses, liabilities, demands, suits, judgments or causes of action, and all legal proceedings, and any costs or expenses in connection therewith, including attorneys' fees and expenses which may result from or arise in any manner out of (i) the condition, use or operation of any Unit during the term hereof with respect to such Unit, or which may be attributable to any defect in any Unit, arising from the material or any article used therein or from the design, testing or use thereof during the term hereof with respect thereto, or from any maintenance, service, repair, overhaul or testing of any Unit during the term hereof with respect thereto regardless of when such defect shall be discovered, or in any other manner relating to the Unit, whether or not such Unit is in the possession of Lessee and no matter where it is located, or (ii) any act or omission of the Lessee for itself or as agent or attorney-in-fact for Lessor hereunder.

Section 7. Insurance.

Lessee agrees that it will at all times during the term of this Lease, and at its own cost and expense, keep the Units

insured at not less than the full insurable value thereof against loss by fire and collision and with extended coverage, and against such other risks as are customarily insured against by companies owning property of a similar character and will maintain public liability and property damage insurance with respect to the Units with limits of \$1,000,000 each occurrence. All such insurance shall provide for a ten day prior written notice to Lessor of any cancellation or alteration of coverages, shall cover both the interest of Lessor and any assignee of which Lessee has notice and of Lessee in the Units and shall protect Lessor and its assigns and Lessee in respect of risks arising out of the condition, maintenance, use or operation of the Units, and shall provide that losses, if any, in respect of the Units shall be payable to Lessee and Lessor and any such assignee as their respective interests may appear. All liability insurance shall be primary without right of contribution from any other insurance carried by Lessor. Lessee shall deliver to Lessor on or before the Delivery Date of each Unit evidence satisfactory to Lessor of all such insurance or a statement satisfactory to Lessor that it will self insure the Units to the same extent coverage and amount as provided in this Section 7.

Section 8. Default.

8.1 If, during the term of this Lease, one or more of the following events ("Events of Default") shall occur:

- (a) Lessee shall fail to make any payments to Lessor or Lessor's assignee when due hereunder and such default shall continue for a period of ten days;

(b) Any representation or warranty of Lessee contained herein or in any document furnished to Lessor or Lessor's assignee in connection herewith shall be untrue or incorrect in any material respect when made;

(c) Lessee shall fail to observe or perform any of the other covenants, conditions, agreements or warranties made by Lessee hereunder and such default shall continue for ten days after written notice thereof to Lessee;

(d) A decree or order for relief is entered by a court having jurisdiction in the premises in respect of the Lessee in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Lessee or for any substantial part of its property, or ordering the wind-up or liquidation of its affairs; or a petition initiating an involuntary case under any such bankruptcy, insolvency or similar law is filed and not dismissed within 60 days of such filing; or

(e) The Lessee commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Lessee consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Lessee or

of any substantial part of its property, or the Lessee makes any general assignment for the benefit of creditors, or the Lessee fails generally to pay its debts as such debts become due, or the Lessee takes corporate action in furtherance of any of the foregoing.

(f) Default shall occur under any agreement involving the borrowing of money or the advance of credit to which Lessee may be a party as a borrower, if the holder of the obligation accelerates the indebtedness as a result of such default;

then, in any such case, Lessor, at its option may take any one or all of the following actions:

(aa) demand that Lessee, and Lessee shall at its expense upon such demand, return the Units promptly to Lessor in the manner and condition required by and otherwise in accordance with the provisions of Section 9 hereof, as if each Unit were being returned at the expiration of its term of lease hereunder, or Lessor, at its option, may enter upon the premises where the Units or any of them are located and take possession of and remove the same by summary proceedings or in any manner permitted by the Uniform Commercial Code as then in effect in Ohio, without liability of Lessor for damage to property or otherwise;

(bb) sell the Units at public or private sale, with or without notice to Lessee or advertisement, or

otherwise dispose of, hold, use, operate, lease to others or keep idle the Units as Lessor may determine all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto;

(cc) by written notice to Lessee, demand that Lessee pay, and Lessee shall promptly pay, to Lessor, as liquidated damages for loss of a bargain and not as a penalty, on the payment date specified in such notice, an amount (together with interest thereon at the rate of 1.5% per month or at the highest rate permitted by law, whichever is less, from said date to the date of actual payment) equal to the amount by which the Casualty Value of the Units computed as of the rent payment date occurring on or immediately preceding the payment date specified in such notice exceeds the Fair Market Sales Value of such Units.

(dd) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the term hereof or to recover damages for the breach hereof or to rescind this Agreement.

In addition, Lessee shall be liable for all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees, taxes, governmental charges and other costs and expenses incurred by reason of

the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including placing any Unit in the condition required by Section 9 hereof.

8.2 For the purpose of the preceding Section 8.1, the "Fair Market Sales Value" of any Unit shall mean such value to Lessor net of all expenses and costs whatsoever which would be incidental to the reclamation of the Unit and the sale thereof as determined (at Lessee's expense) by an independent appraiser selected by Lessor; provided, however, that (i) the "Fair Market Sales Value" of any Unit shall be zero if Lessor is unable to recover possession thereof in accordance with the terms of clause (a)(a) of Section 8.1, and (ii) if Lessor shall have sold any Unit prior to the giving of the notice referred to in clause (cc) of Section 8.1, the "Fair Market Sales Value" thereof shall be the net proceeds of such sales after deducting all costs and expenses incurred by Lessor in connection therewith.

Except as expressly provided above, no remedy referred to in this Section 8 is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any other remedies with respect to any Unit. No express or implied waiver by Lessor of an Event of Default shall constitute a waiver of any other or subsequent Event of Default. To the extent permitted by law, Lessee waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise

use the Units in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights or remedies as herein provided.

Section 9. Return of Units.

Upon expiration of the term of this Lease with respect to any Unit, or if Lessor shall rightfully demand possession of any Unit pursuant to this Lease or otherwise, Lessee, at its own cost and expense, shall forthwith deliver possession of such Unit to Lessor upon storage tracks of Lessee, and permit Lessor to store such Unit on such tracks for a period not exceeding thirty days and transport the same, at any time within such thirty day period to any carrier for shipment, all as directed by Lessor; the movement and storage of such Unit to be at the expense and risk of Lessee. Each Unit returned to Lessor pursuant to this section shall (a) be in the same order, repair and condition as when originally delivered to Lessee, ordinary wear and tear excepted, and (b) be presentable for interchange under the standards of the Association of American Railroads or its successor. During any such storage period Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Units.

Section 10. Assignment.

Lessee understands and acknowledges that the Lessor has entered into this Lease in anticipation of its being able to assign or mortgage its interests under this Lease and/or in the Units to the assignee and that the assignee will, in entering into such transaction with the Lessor, be acting in reliance upon, and entitled to the benefits of, this Section. Accordingly, Lessee and Lessor agree and the Lessee agrees with the assignee, for whose benefit this covenant is expressly made, that (1) Lessor may assign, pledge, mortgage, transfer or otherwise dispose of, either in whole or in part, all of its rights and interests in and to this Lease, with prior notice to, but without the consent of Lessee; (2) in the event of any such assignment, the Lessee will, after due notice thereof, acknowledge in writing such assignment by executing the Notice of Acknowledgement of Assignment furnished by Lessor which will be in substantially the same form as Exhibit A attached hereto, and promptly pay to the assignee, when due, the rentals and any other payments that thereafter will become due to the Lessor hereunder, notwithstanding any defense, setoff or counterclaim whatsoever, whether arising from any breach or default by the Lessor of this Lease or otherwise, that the Lessee may from time to time have against the Lessor; Lessee, nevertheless, reserving its rights to have recourse directly against the Lessor on account of any such defense, setoff or counterclaim, and it being further agreed that any payments made by the Lessee to the assignee pursuant hereto shall to the extent thereof, discharge the obligations of the Lessee to the Lessor hereunder; (3) Lessee will not, after such notice of assignment,

permit the Lease, or any of its provisions to be amended or waived without the prior written consent of the assignee; (4) Lessee will not require the assignee to perform any obligations of the Lessor hereunder, and the Lessor shall not be relieved of any such obligations by any assignment; (5) any assignee of Lessor's rights and interest will take such rights and interests subject to the right of the Lessee to have quiet enjoyment of the Units and such assignee shall not interfere with Lessee's right to quiet enjoyment and use of the Units during the Term of this Lease so long as the Lessee is not in default hereunder; (6) any assignee of Lessor's rights and interests may reassign such rights and interests with the same effect as the original assignment; and (7) lessee agrees to execute all filings pursuant to the Uniform Commercial Code as well as any other documents reasonably requested by the assignee.

Section 11. Further Assurances.

Lessee will, at its expense, do and perform any act and will execute, acknowledge, deliver, file, register and record this Lease and any further instruments which Lessor may reasonably request in order to protect Lessor's title to the Units, this Lease, and the rights and benefits thereof. This Lease shall be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303 prior to the delivery and acceptance hereunder of any Unit to which such document relates.

Section 12. Late Payments.

Interest at the rate of 13.75 percent per annum shall accrue on the amount of any payment not made when due hereunder from the date thereof until payment is made, and Lessee shall pay such interest to Lessor, on demand.

Section 13. Effect of Waiver.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor of any breach or default under this Lease must be in writing specifically set forth.

Section 14. Survival of Covenants.

All covenants of Lessee under Sections 1, 2, 4, 5, 6, 8, 9, and 12 shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

Section 15. Applicable Law; Effect and Modification of Lease.

15.1 This Lease shall be governed by, and construed under the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

15.2 This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing.

Section 16. Financial Information.

Lessee shall keep its books and records in accordance

with generally accepted accounting principles and practices consistently applied and shall deliver to Lessor its annual audited financial statements.

Section 17. Notices.

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to a telegraph office, charges prepaid, addressed as follows:

To Lessor: The Fifth Third Leasing Company
 38 Fountain Square Plaza
 Cincinnati, Ohio 45263

To Lessee: The Procter & Gamble Manufacturing Company
 Legal Division
 301 East Sixth Street
 Cincinnati, Ohio 45202

To Lessor's Assignee: The Western and Southern Life
 Insurance Company
 400 Broadway
 Cincinnati, Ohio 45202

or at such other address as may hereafter be furnished in writing by either party to the other.

Section 18. Counterparts.

Five counterparts of this Lease have been executed by the parties hereto. One counterpart has been prominently marked "Original". All other counterparts have been marked "Duplicate". Only the counterpart marked "Original" shall evidence a monetary obligation of Lessee, and shall constitute "Chattel Paper" or "Other Collateral" within the meaning of the Uniform Commercial Code in any jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LESSOR:

The Fifth Third Leasing Company

By Tom Bohemund Asst. V.P.

LESSEE:

The Procter & Gamble Manufacturing Company

By Frederick A. Morris 12/29/83

STATE OF OHIO)

COUNTY OF HAMILTON)

SS:

On this 29th day of December, 1983, before me personally appeared TOM BOHEMUND, to me personally known, who, being by me duly sworn, says that he is an ASST. V.PRES. of The Fifth Third Leasing Company, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Thomas A. Brennan
Notary Public

THOMAS A. BRENNAN, Notary Public
NOTARY PUBLIC - OHIO
My Comm. Exp. 12/31/84
date, Section 14702.0, O.C.

STATE OF OHIO)

COUNTY OF HAMILTON)

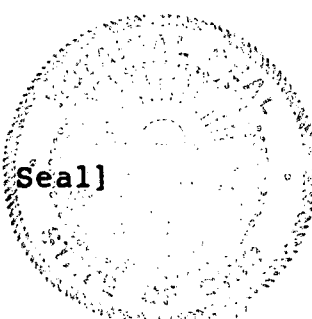
SS:

On this 29th day of December, 1983, before me personally appeared Frederick A. Morris, to me personally known, who, being by me duly sworn, says that he is a Manager of The Procter & Gamble Manufacturing Company, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Alfred J. Deagan
Notary Public

Attorney - no expiration date

[Notarial Seal]



SCHEDULE

Section 1. Description of Units and Purchase Price.

<u>Description</u>	<u>Purchase Price</u>
35 New PD 4000 covered hopper rail cars: (No's PGDX 101-135)	\$2,320,675

Section 2. Term.

The lease term for each Unit shall commence on the Delivery Date of such Unit in respect thereof and expire on December 31, 1998.

Section 3. Rental.

Interim Rental:

Rental for each Unit for the period from the Delivery Date in respect thereto through December 31, 1983, shall be paid on the 1st day of each month commencing on the 1st day of the month following the Delivery Date in respect thereto. The daily rental for each Unit shall be \$21.91,

Fixed Rental:

The rental for each Unit shall be in consecutive monthly installments, payable in advance on the 1st day of each month commencing on January 1, 1984. Each monthly rental for each Unit shall be \$637.00.

Section 4. Availability Date.

Lessor will purchase Units pursuant to this Lease Schedule until December 31, 1983.

Section 5. Casualty Value.

The Casualty Value of each Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase

Price of such Unit as is set forth below opposite the number of rental payments in respect of such Unit which would have become due to and including such date.

<u>Rental Payment No.</u>	<u>Percentage</u>	<u>Rental Payment No.</u>	<u>Percentage</u>
Rental Period		Rental Period	
1984		1985	
1/84	100.6286	1/85	102.7411
2/84	100.8646	2/85	102.8263
3/84	101.1032	3/85	102.9125
4/84	101.3308	4/85	102.9819
5/84	101.5211	5/85	103.0151
6/84	101.7135	6/85	103.0488
7/84	101.8682	7/85	103.0458
8/84	102.0245	8/85	103.0429
9/84	102.1826	9/85	103.0399
10/84	102.3027	10/85	103.0000
11/84	102.4240	11/85	102.9597
12/84	102.5467	12/85	102.9190
1986		1987	
1/86	102.9642	1/87	101.1441
2/86	102.8853	2/87	100.8837
3/86	102.8056	3/87	100.6205
4/86	102.7087	4/87	100.3385
5/86	102.5746	5/87	100.0233
6/86	102.4391	6/87	99.7048
7/86	102.2661	7/87	99.3828
8/86	102.0913	8/87	99.0575
9/86	101.9146	9/87	98.7286
10/86	101.6999	10/87	98.3963
11/86	101.4830	11/87	98.0605
12/86	101.2638	12/87	97.7211
1988		1989	
1/88	97.5324	1/89	93.2933
2/88	97.1857	2/89	92.8997
3/88	96.8354	3/89	92.5020
4/88	96.4813	4/89	92.1001
5/88	96.1235	5/89	91.6938
6/88	95.7619	6/89	91.2833
7/88	95.3964	7/89	90.8684
8/88	95.0270	8/89	90.4491
9/88	94.6538	9/89	90.0254
10/88	94.2765	10/89	89.5971
11/88	93.8952	11/89	89.1643
12/88	93.5099	12/89	88.7269

<u>Rental Payment No.</u>	<u>Percentage</u>	<u>Rental Payment No.</u>	<u>Percentage</u>
<u>Rental Period</u>		<u>Rental Period</u>	
1990		1991	
1/90	88.4781	1/91	83.0154
2/90	88.0314	2/91	82.5151
3/90	87.5799	3/91	82.0093
4/90	87.1236	4/91	81.5035
5/90	86.6624	5/91	81.0030
6/90	86.1964	6/91	80.4950
7/90	85.7254	7/91	79.9923
8/90	85.2494	8/91	79.4822
9/90	84.7683	9/91	78.9643
10/90	84.2822	10/91	78.4518
11/90	83.7908	11/91	77.9315
12/90	83.2943	12/91	77.4036
1992		1993	
1/92	77.1228	1/93	70.8394
2/92	76.5921	2/93	70.2719
3/92	76.0533	3/93	69.6958
4/92	75.5122	4/93	69.1172
5/92	74.9770	5/93	68.5448
6/92	74.4337	6/93	67.9638
7/92	73.8961	7/93	67.3891
8/92	73.3505	8/93	66.8056
9/92	72.7967	9/93	66.2135
10/92	72.2486	10/93	65.6274
11/92	71.6922	11/93	65.0325
12/92	71.1276	12/93	64.4288
1994		1995	
1/94	64.1342	1/95	56.9803
2/94	63.5274	2/95	56.3315
3/94	62.9114	3/95	55.6730
4/94	62.2927	4/95	55.0115
5/94	61.6808	5/95	54.3573
6/94	61.0596	6/95	53.6932
7/94	60.4451	7/95	53.0363
8/94	59.8213	8/95	52.3695
9/94	59.1882	9/95	51.6926
10/94	58.5616	10/95	51.0228
11/94	57.9256	11/95	50.3430
12/94	57.2801	12/95	49.6529
1996		1997	
1/96	49.3494	1/97	41.1773
2/96	48.6555	2/97	40.4331
3/96	47.9507	3/97	39.6803
4/96	47.2424	4/97	38.9269
5/96	46.5414	5/97	38.1848
6/96	45.8294	6/97	37.4341
7/96	45.1246	7/97	36.6947

<u>Rental Payment No.</u>	<u>Percentage</u>	<u>Rental Payment No.</u>	<u>Percentage</u>
<u>Rental Period</u>		<u>Rental Period</u>	
1996 (cont.)		1997 (cont.)	
8/96	44.4087	8/97	35.9467
9/96	43.6817	9/97	35.1901
10/96	42.9617	10/97	34.4447
11/96	42.2305	11/97	33.6906
12/96	41.4881	12/97	32.9279
1998			
1/98	32.6517		
2/98	31.8914		
3/98	31.1224		
4/98	30.3533		
5/98	29.5978		
6/98	28.8336		
7/98	28.0829		
8/98	27.3236		
9/98	26.5556		
10/98	25.8011		
11/98	25.0378		
12/98	24.2658		

After final rental Payment - 25.0000%

Section 7. Tax Indemnification.

7.1 Tax Assumptions. In entering into the Lease and the transaction contemplated thereby, it is the intention of the Lessor and the Lessee that such transaction will constitute a true lease for Federal income tax purposes, with the result that there will be made available to the Lessor the following tax benefits (the "Tax Benefits") for the purpose of determining its liability for Federal income taxes:

(i) the Lessor will be treated as owner of the Units for Federal income tax purposes;

(ii) the Lessor, commencing with the annual period ending December 31, 1983, will be entitled to depreciate the Units over an asset depreciation period of 5 years down to a salvage

value equal to 0% of the Purchase Price using the ACRS (the depreciation with respect to the Equipment as so computed being hereinafter sometimes referred to as the "Depreciation Deductions"); and

(iii) interest paid by the Lessor under the Security Agreement will be deductible by the Lessor under Code Section 163(a) (such deductions being hereinafter called the "Interest Deductions").

7.2 Indemnification. (1) If the Tax Benefits shall be denied, disallowed or otherwise prohibited, or recaptured, in whole or in part, to the Lessor due to (A) the sale or other disposition of any Unit or the interest of the Lessor therein in connection with the exercise of remedies under Section 8 of the Lease as a result of the occurrence of an Event of Default under the Lease, or (B) any act or failure to act of the Lessee, or (C) the failure of any of the assumptions set forth in paragraph 1 above to be true; or (3) if there shall be included in the Owner's gross income for Federal income tax purposes other than at, and as a consequence of, the termination of the Lease any amount on account of any addition, modification or improvement (an "Alteration") to any Unit made by the Lessee (any such loss, disallowance, recapture, reduction, treatment or inclusion being hereinafter called a "Loss"), then the Lessee shall be obligated as follows:

(i) If the Loss is with respect to the Depreciation Deduction or the Interest Deduction the Lessee shall pay the Lessor with respect to each taxable year of the Owner (A) a sum which, after deduction of all taxes required to be paid

by the Lessor in respect of the receipt of such sum under the laws of any Federal, state or local government or taxing authority, shall be equal to the amount of any additional Federal income taxes, and the amount of any penalties or additions to tax which are not deductible for Federal income tax purposes, required to be paid by the Lessor with respect to such year by reason of such Loss of the Depreciation Deduction or the Interest Deduction (net of any net savings in Federal income taxes required to be paid by the Lessor with respect to such year by reason of the Lessor's not being required to include in its Federal gross income for the relevant period the rent paid under the Lease or being required to so include only a portion thereof as interest), plus (B) the amount of any interest and the amount of any penalties or additions to tax which are deductible for Federal income tax purposes which may be payable by the Lessor in connection with such Loss, which amounts shall be payable at such time as such additional income taxes for such year are payable (but not sooner than 30 days after receipt by the Lessee of written notice from the Lessor).

(ii) If as a result of the Loss of the Depreciation Deduction, with respect to any year subsequent to the year of the Loss, the Lessor either becomes entitled to the benefit of additional depreciation deductions or is not required to include in its Federal gross income for such year the rent paid under the Lease (or shall be required to so include only a portion thereof as income interest), the Lessor shall pay the

Lessee an amount equal to the sum of the Federal income tax savings realized by the Lessor with respect to such subsequent year because of such additional depreciation deductions or non-inclusion plus any Federal tax savings realized [under the laws of any Federal, state or local government or taxing authority] as the result of any payment made pursuant to this sentence when, as, if and to the extent such Federal income [or other] tax savings are realized; provided that (A) such sum shall not exceed the excess of the amounts Previously paid by the Lessee to the Lessor pursuant to this paragraph 2 on account of the Loss of the Depreciation Deduction over the amounts previously paid by the Lessor to the Lessee pursuant to this paragraph 2; (B) such sum shall not be payable until such time as the Lessee shall have made all payments and indemnities then due pursuant to the Lease and this Indemnity Agreement; and (C) no benefit to the Lessor shall be taken into account under this subparagraph (ii) to the extent such benefit is taken into account under subparagraph (i).

(iii) If the Loss is with respect to an Alteration the Lessee shall pay to the Lessor (A) a sum which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt of such sum under the laws of any Federal, state or local government or taxing authority, shall be equal to the amount of any additional Federal income taxes, and the penalties or additions to tax which are not deductible for Federal income tax purposes, required to be paid by the Lessor with respect to such year by reason of the inclusion of the then

fair market value of such Alteration in Lessor's gross income (net of any net savings in Federal income taxes required to be paid by the Lessor with respect to such year by reason of the Lessor's being allowed a tax benefit, including a depreciation deduction or an investment credit with respect to the Alteration), plus (B) the amount of any interest and the amount of any penalties or additions to tax [which are deductible for Federal income tax purposes] which may be payable by the Lessor in connection with such Loss, which amount may be payable at such time as such additional income taxes for such year are payable (but not sooner than thirty (30) days after receipt by the Lessee of written notice from the Lessor).

(iv) If, as a result of the Loss attributable to an Alteration, with respect to any year subsequent to the year of the Loss, the Lessor becomes entitled to the benefit of depreciation deductions with respect to the Alteration, the Lessor shall pay the Lessee an amount equal to the sum of the Federal income tax savings realized by the Lessor with respect to such subsequent year because of such depreciation deduction, plus any tax savings realized under the laws of any Federal, state or local government or taxing authority as a result of any payment made pursuant to this sentence when, as, if and to the extent such federal income or other tax savings are realized; provided that (A) such sum shall not exceed the excess of the amounts previously paid by the Lessee to the Lessor pursuant to this paragraph 2 on account of the Alteration over the amounts previously paid by the Lessor to the Lessee

pursuant to this paragraph 2; (B) such sums shall not be payable until such time as Lessee shall have made all payments and indemnities then due pursuant to the Lease and this Indemnity Agreement; and (C) no depreciation deduction shall be taken into account under this subparagraph (iv) to the extent such benefit is taken into account under subparagraph (iii).

Anything in the Preceding portion of this paragraph to the contrary notwithstanding, the Lessee shall not be required to make any payment to the Lessor provided for therein if the loss of any Tax Benefit results because of the occurrence of any of the following events:

(A) a voluntary transfer by the Lessor of legal title to any Unit or a disposition by the Lessor of any interest in the same, if, and to the extent that, either such transfer or disposal shall be the (or one of the) direct cause(s) of such Loss (other than a sale or disposition of the Units or of the interest of the Owner in the Units in connection with the exercise of remedies under Section 8 of the Lease after the occurrence of any Event of Default under the Lease);

(B) the failure of the Lessor to have sufficient income to benefit from the Depreciation Deductions or the Interest Deductions, or gross income against which to apply the Depreciation Deductions or the Interest Deductions;

(C) the failure of the Lessor to properly and timely claim the Depreciation Deductions or the Interest Deductions in its income tax return for the appropriate year or to follow the

proper procedure in claiming such Tax Benefit in such tax return for such year unless (i) in the opinion of independent tax counsel selected by the Lessee and acceptable to the Lessor (which selection by the Lessee shall be made promptly after request by the Lessor and which acceptance by the Lessor shall not be reasonably withheld or delayed) there is no reasonable basis for such claim or treatment, or (ii) the matter in question is of a continuing nature and such matter (although not in respect of the particular taxable period) has previously been decided pursuant to the contest provisions hereof (other than by reason of a decision of such Lessor not to contest such loss for any given period) or the Lessee has failed to request that such matter (in respect of a prior taxable period) be contested and the Lessee has not requested that the Lessor claim the Tax Benefit with respect to such period prior to the end of such period;

(D) the Lessee shall have paid the Casualty value for any Unit provided to be paid under the Lease in respect of which any Tax Benefit is lost.

7.3 Adjustment of Casualty Values. In the event the Lessee becomes obligated to pay additional amounts to the Lessor pursuant to this indemnity, the Lessee and the Lessor shall amend the Casualty Values so as to preserve, in the reasonable opinion of the Lessor, the Lessor's after-tax economic and accounting yields and cash flows (computed on the same assumptions, including, without limitation, the tax rates, as utilized by the Lessor in originally evaluating this transaction).

7.4 Contest Provisions. In the event the Lessor shall receive a Thirty Day Letter from the Internal Revenue Service stating that a Tax Benefit should be denied, disallowed or recaptured and such denial, disallowance or recapture could result in a Loss or in the event the Internal Revenue Service should propose any other adjustment in a Thirty Day Letter which may or does result in any other Loss which would require Lessee to make a payment under this Agreement (any such claim or adjustment being hereinafter called a "Claim"), the Lessor shall give the Lessee prompt notice of such Claim and shall contest such Claim in such forum as the Lessor in its sole judgment shall select, provided that:

(i) the amount of the loss for the taxable year involved exceeds \$50,000;

(ii) within 30 days after notice by the Lessor to the Lessee of such Claim, the Lessee shall make a request that such Claim be contested;

(iii) prior to taking such action, the Lessee shall have furnished the Lessor with an opinion of independent tax counsel selected by the Lessee and acceptable to the Lessor (which acceptance shall not be unreasonably withheld or delayed) to the effect that a meritorious ground exists for resisting such Claim and describing such ground, with the fees and disbursements of such independent counsel to be borne by the Lessee; and

(iv) the Lessee shall have indemnified the Lessor in a manner satisfactory to the Lessor for any liability or loss which it may incur as the result of contesting such Claim, and

shall have agreed to pay the Lessor on demand all reasonable out-of-pocket costs and expenses which the Lessor may incur in connection with contesting such claim including, without limitation (A) reasonable attorney's and accountant's fees and disbursements and (B) the amount of any interest and penalties which may ultimately be payable to the United States Government as the result of contesting such Claim.

(v) If any Claim shall be made by the Internal Revenue Service and the Lessee shall reasonably have requested the Lessor to protest such Claim as above provided and shall have duly complied with all of the terms of this paragraph 4, the liability of the Lessee to the Lessor under paragraph 2 of this Agreement shall become fixed and immediately due and owing to the Owner at the time the Lessor pays the Internal Revenue Service the amount of any tax increase attributable to the Loss to which such Claim relates (or suffers a reduction in the amount of any refund which the Lessor would have been entitled to receive but for said Loss). The Lessor may, at its option, contest the Claim prior to making payment of the amount claimed by the Internal Revenue Service, including interest and/or penalties, or may pay such amount and then sue for a refund. In the event any Claim is contested, the Lessor shall prosecute such contest diligently and in good faith and shall keep the Lessee informed of the status thereof. Further, the Lessor will take all allowable judicial appeals reasonably requested by the Lessee and will not compromise or settle any Claim contested in accordance with the provisions hereof without the

consent of the Lessee, which consent shall not be unreasonably withheld; provided, however, that such consent shall be deemed to be given if such proposed compromise or settlement shall not be disapproved by the Lessee with thirty (30) days after written notice from the Lessor to the Lessee.

If, after receipt by the Lessor of an amount paid by the Lessee and attributable to a Loss, the extent of such Loss shall be established by the final adjudication thereof or a settlement with the consent of the Lessee, then thirty (30) days after such final adjudication or settlement, as the case may be, the Lessor shall repay to the Lessee an amount equal to (i) the amount or amounts theretofore received by the Lessor and paid by the Lessee with respect to such Loss which (by reason of such adjudication or settlement) the Lessor did not ultimately incur, plus (ii) simple interest (at the rate which is applicable under Section 6621 of the Code from time to time) computed with respect to such amount or amounts, Plus (iii) the sum of all tax savings realized by the Lessor by virtue of making this payment to the Lessee, and less (iv) unpaid expenses of the consent. Notwithstanding the foregoing the Lessor shall not be required to make any payment hereunder so long as an Event of Default under the Lease (or an event which with the passage of time or notice or both would constitute an Event of Default) shall have occurred and be continuing. Notwithstanding any provision to the contrary in this paragraph 4, the Lessor may elect not to contest any Claim after the Lessee shall have complied with clauses (i), (ii) and (iii) of this paragraph 4, and thereupon the Lessee shall be relieved of all liability to indemnify the Lessor

with respect to the Tax Benefits involved in respect of such Claim, and the Lessor shall reimburse the Lessee for all amounts paid by the Lessee under this paragraph 4 in connection with such contesting.

7.5 Definition of Lessor. For purposes of this Agreement, the term "Lessor" shall include the corporation constituting the Lessor and shall also include any member of an affiliated group of which the Lessor is, or may become, a member if consolidated, joint or combined returns are filed for such affiliated group for Federal, state or local income tax purposes.

7.6 Investment Tax Credit. Pursuant to Section 48(d)(1) of the Code, the Lessor elects to treat the Lessee as having acquired the Units for purposes of the investment tax credit. The Lessor represents, warrants and agrees that: (a) the Lessor will execute and deliver to the Lessee an appropriate statement prepared by Lessor containing the information prescribed by Treas. Reg. 1.48-4(f) on or before the due date of the Lessee's Federal income tax return for its taxable year ended June 30, 1984; and (b) the Lessor shall not make any disposition of the property within the meaning of Treas. Reg. 1.47-2 (b) (2)(ii), giving rise to investment credit recapture, so long as no Event of Default under the Lease shall have occurred. The Lessor will indemnify the Lessee for all or any portion of investment tax credit lost due to a breach by the Lessor of any of the above representations or warranties of this section 7.6.

Section 8. Renewal Option.

(a) Renewal for Successive Period. Provided that (i) this Lease has not been earlier terminated and the Lessee is not in

default hereunder, and (ii) Lessor has received from The Procter & Gamble Company ("Guarantor") an extension of the Guaranty Agreement of even date herewith between Guarantor and Lessor, the Lessee may by written notice delivered to the Lessor not less than 180 days or more than 270 days prior to the end of the original term of this Lease elect to extend such original term of this Lease in respect of all but not less than all the Units then covered by this Lease for a period of five years or such other time acceptable in writing to both the Lessee and Lessor commencing on the scheduled expiration of such original term of this Lease, at a "Fair Market Rental" payable, in arrears, in monthly payments on the day such rentals were payable for the Units in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be as agreed upon by the Lessor and the Lessee.

(b) Determination of Fair Market Rental. The Fair Market Rental for each extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(c) If, after 45 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, the Lessee may withdraw its election to extend the term and in the event it fails to do so

within 60 days from the giving of notice either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure, and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appriaser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appriasers shall have been appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market

Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and Lessor.

Section 9. Purchase Option.

(a) Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than 180 days nor more than 270 days prior to the end of the original term of this Lease or any extended term of the Lease elect to purchase all but not less than all the Units then covered by this Lease on the expiration of the Lease, at a "Fair Market Price" payable on the date of expiration of the Lease.

(b) Determination of Fair Market Price. The Fair Market Price shall be equal to the price which would be obtained in an arm's-length transaction between an informed and willing buyer (other than a buyer currently in possession) and an informed and willing seller under no compulsion to sell, and costs of removal from the location of current use shall not be a deduction from such price.

(c) If, after 45 days from the giving of notice by the Lessee of the Lessee's election to purchase the Units, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Price of the Units, the Lessee may withdraw its election to purchase the Units and in the event it fails to do so within 60 days from the giving of notice either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure, and the parties shall consult for

the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Price of the Units within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Price of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Price. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining the Fair Market Price and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and Lessor.

NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Reference is hereby made to Equipment Lease dated December 29, 1983 ("Lease"), between THE FIFTH THIRD LEASING COMPANY, an Ohio corporation ("Lessor"), and THE PROCTER & GAMBLE MANUFACTURING COMPANY, an Ohio corporation ("Lessee").

Under the provisions of Section 10 of the Lease, Lessor hereby gives Lessee notice and Lessee hereby acknowledges receipt of notice that Lessor has collaterally assigned to The Western and Southern Life Insurance Company Separate Account A ("Lender") all of its rights in the Lease and the equipment leased thereunder ("Equipment") as security for a loan made or about to be made by Lender to Lessor.

Beginning with the second periodic rent payment due February 1, 1984, Lessee agrees to make payment of any and all monies due or to become due Lessor under the Lease to Lender at its office located at 400 Broadway, Cincinnati, Ohio 45202, Attention: Treasurer, until Lender instructs Lessee otherwise in writing.

In recognition of Lender's reliance upon this Notice and Acknowledgement of Assignment in agreeing to lend to Lessor the substantial portion of the purchase price of the Equipment, and in consideration of Lender's agreement to not interfere with Lessee's quiet possession of the Equipment subject to the terms of the Lease, Lessee certifies, confirms and agrees as follows:

1. That Lessee will not assert against Lender any defense, claim, counterclaim, recoupment, setoff, or right to cancel or terminate the Lease which Lessee may have against Lessor. Lessee agrees that it will pay to Lender all monies due or to become due under the Lease without regard to any such defense, claim, counterclaim, recoupment, setoff or right whether arising under the Lease or any other transaction or otherwise and will not seek to recover any part of the same from Lender, provided that Lessee shall not be obligated to make any payment or perform any obligation under the Lease in favor of Lender if, when no Event of Default shall have occurred under the Lease and be continuing, Lender interferes with Lessee's right to quiet enjoyment of the Equipment or if Lessee is ordered by a court of competent jurisdiction to make such payments or perform such obligations to or in favor of another person or entity. Notwithstanding the foregoing, nothing herein shall be deemed to relieve Lessor of any of its obligations to Lessee under the Lease.

2. That the Equipment is in Lessee's possession at the locations specified in the Lease, that the Equipment has been inspected by duly authorized representatives of Lessee and has been fully and finally accepted by duly authorized representatives of Lessee as the Equipment under the Lease and found to be in good working order and suitable for the Lessee's purposes in all respects.

3. That the Lease is in full force and effect and that any modification, amendment or supplement to the Lease has been approved by Lender. Any future modification, amendment or supplement to the Lease shall be ineffective without Lender's prior written consent.

4. That neither Lessee nor, to Lessee's knowledge, Lessor has breached the Lease in any respect and that payments of any and all monies due under the Lease have been and will continue to be paid in strict accordance with the terms of the Lease.

5. Lessee acknowledges that Lender has not assumed any of the obligations of Lessor or any other party under the terms of the Lease, and Lender shall not be responsible in any way for the performance by Lessor or any other party of the terms and conditions of the Lease. Further, Lessor hereby notifies Lessee that Lender is entitled to the benefits of each and every right accorded Lessor in the Lease, including but not limited to remedies, inspection rights, indemnity rights, right to give consent, right to receive payment of costs and expenses incurred in exercising rights and remedies under the Lease, including reasonable attorney's fees, and the right to receive notices and other documents required to be furnished under the Lease.

6. That Lessee has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the Lease, the rents reserved thereunder or the Equipment. The terms of the Lease notwithstanding, Lessee agrees to not enter into any assignment, sublease or other transfer of its rights, duties, obligations or interests in the Lease or Equipment without Lender's prior written consent.

7. That Lessee is aware of no claim of any kind or nature in or to the Equipment, or of any lien thereon other than Lessor's interest, Lender's security interest and Lessee's rights thereto under the Lease and that Lessee will keep the Lease and Equipment free and clear of all liens and encumbrances.

8. All representations and duties of Lessor intended to induce Lessee to enter into the Lease whether required by the Lease or otherwise have been fulfilled.

LESSOR:

LESSEE:

THE FIFTH THIRD LEASING
COMPANY

THE PROCTER & GAMBLE
MANUFACTURING COMPANY

By: _____

By: _____

Date: _____

Date: _____

LENDER:

THE WESTERN AND SOUTHERN
LIFE INSURANCE COMPANY
SEPARATE ACCOUNT A

By: _____

By: _____

Date: _____